


BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 2001-163-C - ORDER NO. 2001-964

SEPTEMBER 26, 2001

IN RE: Application of Quick Tel, Inc. for a	)	ORDER GRANTING
Certificate of Public Convenience and	)	CERTIFICATE
Necessity to Operate as a Reseller of	)	
Interexchange Telecommunications Services.	)	



This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Quick Tel, Inc. (“Quick Tel” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate resold telecommunications services between and among locations within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 2000), S.C. Code Ann. § 58-9-520 (Supp. 2000) and the rules and regulations of the Public Service Commission of South Carolina.

The Commission’s Executive Director instructed Quick Tel to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of Quick Tel’s Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Company complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A hearing was convened on September 6, 2001, at 10:30 a.m. in the Commission’s Hearing Room at 101 Executive Center Drive, Columbia, South Carolina.

The Honorable William Saunders, Chairman, presided. Scott A. Elliott, Esquire, represented Quick Tel. Sam Bell testified on behalf of the Company. Jocelyn G. Boyd, Staff Counsel, represented the Commission Staff. Steve Gunter, Auditor, and Colanthia Alvarez, Rates Analyst, testified on behalf of the Commission Staff.

Bell is the President of the Company. Quick Tel is a Delaware corporation that has received authorization to transact business within the State of South Carolina. The Company seeks authority to operate as a switchless reseller of intraLATA and interLATA intrastate telecommunications services to the public on a statewide basis. Quick Tel will arrange for the traffic of underlying subscribers to be routed directly over the networks of its network providers. The Company seeks authority to offer on a resale basis within South Carolina intrastate, interLATA and, to the extent authorized by the Commission intraLATA direct-dialed services including (1+) service, flat rate service, 800 inbound service, and travel cards and prepaid calling cards. According to the testimony, the Company will initially provide prepaid calling cards and 1+ service. Bell testified that Quick Tel will provide cards that are reliable, convenient, and an alternative means of making phone calls. The record further reveals that Quick Tel has no plans at this time to construct any telecommunications transmission facilities of its own and seeks no construction authority.

Bell presented testimony regarding the Company's managerial and technical ability to provide telecommunications services. Quick Tel will use the following underlying carriers in South Carolina to provide long distance services: WorldCom, Qwest, and Global Crossing. The testimony reveals the Company will choose its

underlying carriers based upon the quality of service of the carrier properly certified by the Commission to provide such service. If technical problems arise regarding the Company's telecommunications services, Quick Tel's underlying carrier(s) will be responsible for handling technical repairs.

Although Quick Tel is currently certified to provide telecommunications services in forty-one states, the Company is not yet providing any telecommunications services. Furthermore, Bell testified that Quick Tel's certification to provide telecommunications services has never been denied, revoked or the subject of an investigation by a state or federal regulatory body. Additionally, as of the hearing date, the Company had not received revenues from the completion of intrastate calls in South Carolina nor marketed its services in South Carolina. The testimony reveals that Quick Tel's name and customer service telephone number will appear on its prepaid calling cards. Additionally, the Company is aware of the requirement that Quick Tel must post a five thousand dollar bond or certificate of deposit with the Commission prior to the Company offering prepaid calling cards in South Carolina. Quick Tel will market its services through retail outlets and wholesale distribution outlets.

Regarding the Company's managerial resources, Bell was President and Chief Executive Officer of Atlantic Distribution, Inc., a wholesale distributor of prepaid phone cards, from April 1996 until the present. Additionally, from July 1994 to April 1996, Bell was a proprietor and wholesale distributor of prepaid phone cards. Bob Charish is also a member of the Company's managerial staff. Mr. Charish was formerly employed by Viatel, Inc. from February 1996 until April 2001. Charish held numerous positions at

Viatel such as Vice President, Department of Pre-Paid Services; Director, Department of Prepaid Cards; Sales Manager, Department of Prepaid Cards; and Assistant Manager, Department of Pre-Paid Cards. Bell is the Company's regulatory contact person and Charish is the Company's customer service contact person.

Gunter testified that he reviewed the balance sheet of the Company dated March 16, 2001. After reviewing the balance sheet, Gunter concluded that cash makes up 100% of the total assets of the Company and stockholders' equity made up 100% of the total equity contributed to the Company. The Company had not begun operations at the time of Gunter's review; therefore, no income statement was submitted. Gunter opined that based on his review of the balance sheet, the Company is financially strong and in a position to begin operations in the State of South Carolina.

Alvarez reviewed the Company's tariff and Application. Her review of the tariff resulted in the proposal of a few changes to the Company's tariff which Bell, on behalf of the Company agreed to make. Regarding the Company's request to maintain its books and records outside the State of South Carolina, Alvarez recommended that the Commission approve the Company's request to maintain its books and records in Maryland.

After full consideration of the applicable law, the Company's application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

### **FINDINGS OF FACT**

1. Quick Tel is organized as a corporation under the laws of the State of Delaware and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. Quick Tel operates as a reseller of interexchange services and wishes to provide its services in South Carolina.

3. Quick Tel has the experience, capability, and financial resources to provide the services as described in its Application.

### **CONCLUSIONS OF LAW**

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Quick Tel to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for Quick Tel for its resale of interexchange services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. Quick Tel shall not adjust its interexchange rates below the approved maximum level without notice to the Commission and to the public. Quick Tel shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provision of S.C. Code Ann. §58-9-540 (Supp. 2000).

4. If it has not already done so by the date of issuance of this Order, Quick Tel shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. Quick Tel is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. Quick Tel shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Quick Tel changes underlying carriers, it shall notify the Commission in writing.

8. Quick Tel shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports can be found at the Commission's web site at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms). The title of this form is "Annual Information on South Carolina Operations For Interexchange Companies and AOS". Be advised that the Commission's annual report for telecommunication companies requires the filing of intrastate revenues and intrastate expenses. Quick Tel shall also file with the Commission a copy of its general bill form as required by 26 S.C. Code Ann. Regs. 103-612.2.2 and 103-622 (1976 and Supp. 2000).

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Quick Tel shall file the names, addresses and telephone numbers of these representatives with

the Commission within thirty (30) days from receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s web site at [www.psc.state.sc.us/forms](http://www.psc.state.sc.us/forms); this Form shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

10. With regard to the origination and termination of toll calls within the same LATA, Quick Tel shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dial parity rules established by the Federal Communications Commission, pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209).

11. The Company’s request for a waiver of S.C. Code Ann. Regs. 103-610 is granted. Quick Tel is granted permission to maintain its books and records required under Regulation 103-610 at its principal place of business in Maryland. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

12. As a condition of offering debit card services, the Commission requires the Company to post with the Commission a bond in the form of a Certificate of Deposit worth \$5,000 drawn in the name of the Public Service Commission of South Carolina or a surety bond in the amount of \$5,000 which is payable to the Commission. The Certificate of Deposit shall be drawn on federal or state chartered banks or savings and



loan associations which maintain an office in this state and whose accounts are insured by either the FDIC or the Federal Savings and Loan Insurance Corporation. A surety bond shall be issued by a duly licensed bonding or insurance company authorized to do business in South Carolina. This condition may be reviewed on an annual basis.

13. If the Company sells its debit cards to retail establishments for resale of the debit cards, and the retailer of the debit cards deviates from the suggested retail price as filed in the tariff, or as approved by the Commission in a special promotion, then the Company will withdraw its cards from that retail outlet. The Commission strongly suggests that the Company enter into written agreements with its South Carolina retail outlets regarding this policy of abiding by suggested retail pricing prior to the outlet marketing the card.

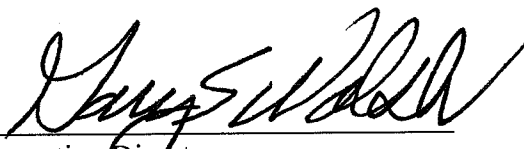
14. With respect to business service offerings, credit card services, operator services, and customer network offerings, tariff filings will be presumed valid upon filing. If the Commission institutes an investigation of a particular filing within seven (7) days, then the tariff filing will be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to Quick Tel also.

15. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)